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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #05515-85
5 November 1985

MEMORANDUM FOR:

[Redacted Box]

SOVA
OEA

25X1

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: DCI Presentation Notebook

1. As you know, the DCI wants to be prepared to discuss a variety of issues [Redacted Box]. The background materials you are assembling serve to refresh his memory on Agency positions and focus on details of various intelligence problems. But, the presentation notebook gives him suggestions on what specific comments on the issues he should make during the trip. Talking points (see attached format A) are required for each topic listed below.

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- Korean Peninsula - military balance and Soviet influence (OEA);
- Military balance on Sino-Soviet border (OEA, SOVA);
- Recent developments in Soviet strategic deployments (SOVA);
- Recent developments in Soviet INF deployments (SOVA);
- Chinese economic developments to include "special economic zones" (OEA);
- Sino-Vietnam border issues (OEA);
- Taiwan (OEA);
- Trade (OEA);
- Technology transfer (OEA);
- Nuclear cooperation (OEA);
- Population (OEA);

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- Military Sales/Cooperation (OEA);
- US-Soviet Summit (SOVA);
- Soviet Strategic Defense developments (SOVA);
-
- Philippines (OEA);

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2. Talking points should not exceed two pages and prepared so that if the DCI chose, he could make his presentation by reading the talker verbatim. Military topics should include a map indicating deployments (Soviet, Vietnamese, North Korean, etc.) where appropriate, and a fact sheet on highly technical subjects. I will reference background materials in the DCI's copy of the notebook, but the goal is to have all the essential data for each topic at his fingertips in the presentation document. In addition, you should prepare several questions for the DCI to ask during an ensuing discussion of each topic (see Attachment B). This will obviously be most difficult for SOVA topics.

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3. I will need your inputs by COB Tuesday, 12 November.


Carl W. Ford, Jr.

Attachments:

- A. Talking Points Format
- B. Discussion Format

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SUBJECT: DCI Presentation Notebook

Distribution:

1 - [] SOVA
1 - [] OEA
1 - NIO/EA (Chron)
1 - NIO/EA (Subj.)

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Attachment A

TALKING POINTS

Intelligence Update: Situation in the Philippines

- The increasingly rapid growth of the Communist insurgency in the Philippines and the absence thus far of any effective government effort to counter the threat raise the prospects that a Communist government could come to power in Manila.
- The insurgents are in an ideal position to benefit from the malaise prevalent throughout their country:
 - Popular support for the Marcos Government is at an alltime low. (NOTE: The recent Bishops-Businessmen's Conference poll asked respondents who they thought would win the upcoming elections, not who they planned to vote for, and we stand behind our NIE judgment.)
 - The prospects for meaningful political reforms under this regime are slight.
 - Economic recovery will proceed only slowly (NOTE: Even with our best case assumptions, relief for people in the countryside does not occur before the 1990s.
 - The Philippine military's response to the New People's Army (15-16,500 regulars and 15-20,000 part-time irregulars in 1984) is for the most part inept and often counter productive, and is unlikely to improve enough to stem increased NPA activity in the near term.
- Government forces may soon cede de facto control of some lowland areas and the rural highlands to the Communists in many regions of the country.
- Meanwhile, the Communists continue to prepare to bring their revolution to the streets of Manila, an event that would further undermine the Marcos Government.
- Thus far, we do not believe the CPP/NPA receive any sizable foreign financial assistance or arms supplies.
 - China provided arms, training and money in the 1960s and 1970s, but terminated its assistance in 1975;
 - Captured members of the Central Committee claim that the party's most significant foreign financial support has come from expatriate Filipinos in the US;
 - More recently, we believe that the CPP/NPA has established contacts--through front organizations and European Communist parties

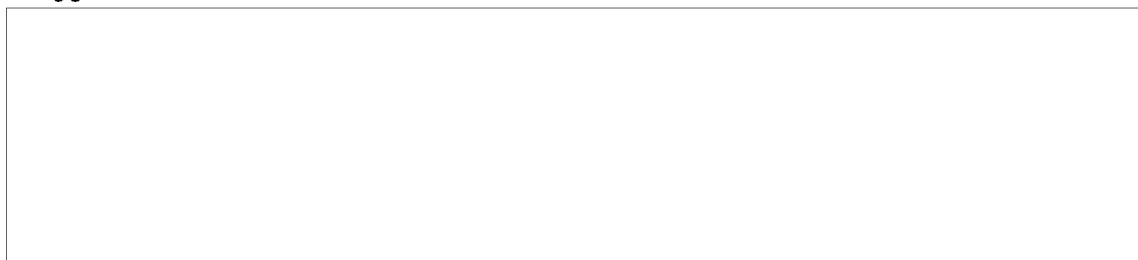


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- Finally, there have been contacts between the World Federation of Trade Unions and the CPP/NPA labor front.
- Even without foreign support, however, if present trends continue, within the next three to five years, the insurgents could stalemate the military in the countryside and bring widespread urban terrorism to the streets of Manila. We also believe a major governmental crisis during this period could give a coalition dominated by the Communists, or the Communists themselves, an opportunity to seize power without first achieving a decisive battlefield military advantage.
- In order to alter our bleak prognosis, the Marcos Government will have to make fundamental, across-the-board reforms, and soon, or a new reform-minded, non-Communist government will have to emerge in Manila.
- Unfortunately, President Marcos has thus far resisted making significant reforms because he perceives they would undermine his own power. Moreover, we should anticipate that he will continue to resist US suggestions and pressures for him to change.



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- Indeed, President Marcos intends to run for reelection in 1987 and spends much of his productive time planning his campaign to the detriment of other pressing problems such as the insurgency and the economy.
- Any new non-Communist government would have an opportunity to remedy the country's many ills; with an improved economy and a calmer political environment, a reduction of the Communist appeal would be within reach. At the same time, any successor government would face most of the same formidable problems confronting Marcos--and without his experience or other assets.
- Whether a new government could make more headway against the insurgency or economic problems is an open question.
- In short, the long term trends in the Philippines are most alarming, but with little or no sign of immediate improvement of the situation in sight.

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FACT SHEET

Communist Party of the Philippines (CPP): Strength - 30-45,000 (including about 6,000 in urban areas)

Controls - Approximately 5 million people

Contests control - For an additional 5.5 million

New People's Army (NPA):

Strength (1984) 15,000-16,500 regulars
15,000-20,000 part-time irregulars.

CPP/NPA Leadership:

Rodolfo Salas (37), Director Politburo and Chairman of the Military Commission

Rafael Baylosis (30), Secretary General

Juanito Rivera (39), Vice Chairman of the Military Commission

National Democratic Front (NDF):

CPP's main united front organization

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Armed Forces of the Philippines (AFP):

Army	70,000
Navy	28,000
Air Force	16,400
Constabulary	<u>38,500</u>

TOTAL 152,900 (NOTE: Only about a third of this strength at best is actively committed against the insurgency.)

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